

ADAMS COUNTY HEALTH DISTRICT
Adams County, Washington
January 1, 1993 Through December 31, 1994

Schedule Of Federal Findings

1. Payroll Charges To Federal Programs Should Comply With Federal Regulations

Payroll expenditures for employees' time that is chargeable to more than one federal grant program do not comply with federal regulations. Time and effort reports are not certified by the employees or supervisors.

The U.S. Office of Management and Budget (OMB) Circular A-87, *Cost Principles Applicable to State and Local Governments*, establishes standards for documentation and allowability of costs charged to federal grant programs. Among these standards is:

Salaries and wages of employees to more than one grant program or other cost objective must be supported by appropriate time distribution records.

Without a reliable system that meets the federal requirements, the district cannot assure that payroll costs charged to federal programs are for services provided to the programs.

District personnel were not aware that time and effort reports should be certified by persons having knowledge of the work performed.

We recommend the district implement a time and effort system that complies with OMB Circular A-87 for all federal programs that are charged through payroll.